REMARKS

Claims 5, 6, 8-10, 12 and 15 are pending in this application. By this Amendment, claims 5, 8 and 12 are amended. The above amendments are supported in the specification, for example, at least at Fig. 10 and paragraphs [0005]-[0015] and paragraphs [0048]-[0056]. No new matter is added. Reconsideration in view of the above amendments and following remarks is respectfully requested.

The courtesies extended to Applicant's representative by Examiners McLean and Poon at the interview held October 25, 2007, are appreciated. The reasons presented at the interview as warranting favorable action are incorporated into the remarks below and constitute Applicants' record of the interview.

The Office Action rejects claims 5-6 and 9-10 35 U.S.C. §102(e) as being anticipated by Molldrem (U.S. Patent No. 6,985,673); rejects claim 8 under 35 U.S.C. §102(e) as being anticipated by Frey (U.S. Patent No. 6,369,908); and rejects claims 12 and 15 under 35 U.S.C. §103(a) as being anticipated by Frey in view of Nihei (U.S. Patent No. 7,098,942). Applicants respectfully traverse these rejections.

Molldrem fails to disclose or suggest transferring a computer image file from a network storage, dispensing the portable digital storage media, selecting a remote target and transferring the computer image file from the network storage to the portable digital storage media before the step of dispensing the portable digital storage media at the remote target, as recited in independent claim 5.

As discussed at the interview, Molldrem at col. 11, lines 3-6 discloses a print-order packager 84 that consolidates the paper photographic prints in addition to a CD-rom, if ordered by the customer, and packages them in a suitable sleeve or envelope. However, Molldrem fails to disclose or suggest any transfer of <u>image data through a network</u>.

Thus, Molldrem fails to disclose or suggest transferring a computer image file from a network storage, dispensing the portable digital storage media and selecting a remote target and transferring the computer image file from the network storage to the portable digital storage media before the step of dispensing the portable digital storage media at the remote target, as recited in independent claim 5.

With respect to claims 8 and 12, Nihei and Frey, either individually or in combination, fail to disclose or suggest selecting a remote target and transferring a computer image file from a network storage to the portable digital storage media to be dispersed at the remote target, as recited in independent claim 8 and similarly recited in claim 12.

Nihei at col. 3, lines 40-66, merely discloses a floppy disk drive insertion slot for, front side universal serial bus terminal 3, a flat bed scanner 6 and a coin insertion slot 8.

Nihei fails to disclose or suggest any feature of network transfer, as discussed at the interview. Frey fails to cure the deficiencies of Nihei. Frey, at col. 2, lines 42-43, merely discloses a payment collection device. At col. 3, lines 3-6, Frey merely discloses that a photography kiosk may have an optional vending device for selling removable electronic storage devices. Further, in col. 3, lines 19-22, Frey merely discloses that its device accepts payment through the payment collection device 16 and fails to disclose any network image data transfer.

Thus, Nihei and Frey, either individually or in combination, fail to disclose or suggest selecting a remote target and transferring a computer image file from a network storage to the portable digital storage media to be dispersed at the remote target, as recited in independent claim 8 and similarly recited in claim 12.

In accordance with the above remarks, independent claims 5, 8 and 12 define patentable subject matter. Claims 6, 9-10 and 15 depend from independent claims 5, 8 and 12, respectively, and therefore, also define patentable subject matter, as well as for the

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additional features recited therein: Thus, Applicants respectfully request that the Examiner withdraw the rejections.

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance of claims 5, 6, 8-10, 12 and 15 are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number set forth below.

Respectfully submitted,

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JAO:EXC/jgg

Attachment:

Request for Continued Examination

Date: November 1, 2007

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